

**Fell/Dalgleish:** (441-2009) WHEREAS the ability to apply legislation to administer a fair process of taxation is an on-going challenge for all levels of government. While based on “Fair” Current Value Assessment (CVA), the property values reassessed by MPAC (effective January /09), did not reflect true market values due to an extreme downturn in the economy at that time. Consequently, the unrealistic higher assessments in the Municipality of Hastings Highlands resulted in huge and “unfair” tax increases for the majority of our ratepayers.

WHEREAS; the CVA system is unable to compensate for the reality of lower property values in this reassessment year, resulting in ratepayers unable to sell their homes at protect their investment;

AND WHEREAS; unrealistic assessments have a rippling effect on municipal costs: causing a higher County levy, higher education costs; a higher assessment also means a decreased amount of OMPF provincial funding to municipalities (when CPI is taken into account), increasing net operating costs for our municipality this year;

AND WHEREAS; coupled with additional higher costs for policing and other operational costs, the cumulative effect makes it difficult to explain to ratepayers why we cannot just lower the tax rate to mitigate the adverse effect of unrealistic assessment increases;

AND WHEREAS; the rural Municipality of Hastings Highlands may be unique in that it has the largest number of lakes in Hastings County, and perhaps the entire province; thus, 65% of our ratepayers own waterfront property, accounting for 70 - 80% of our total assessment base; by nature waterfront property is assessed differently from other residential land; moreover, the difference is reflected by a wide range of varying increases, because each lakefront property has its own distinct features—apart from the size and condition of buildings;

AND WHEREAS; the disparate nature of residential reassessment increases within the Residential Class has a compounding effect on Hastings Highlands waterfront residents, now comprising 70 - 80% of our assessment; The Waterfront Residential group has grown is proportionately over the years—to this year’s increases being 3-5 times higher than their residential counterparts, whose reassessments were only marginally higher, thus creating a grave imbalance for tax purposes within the Residential Class;

AND WHEREAS; these different residential groups are subject to the same tax rate, the disproportionate increase in Waterfront Residential assessment this year caused huge tax increases for the majority of our ratepayers, and minimal tax increases for other residential landowners;

AND WHEREAS; the result of a growing disparity of tax increases levied against the majority, has created demands for more services, and since the municipality must provide equal services to all ratepayers regardless of the amount of taxes paid, this level of taxation on Waterfront Residential residents is seen as unfair taxation;

AND WHEREAS; properties are not serviced by assessed value, but by size and location; the value of assessment is used to apportion tax liability, and not designed to provide services accordingly;

AND WHEREAS; the uneven nature of reassessment on Waterfront Residential properties, ranging in increases of 20-70% or more, creates an unstable tax dilemma that cannot be resolved by simply lowering the Residential Class tax rate;

AND WHEREAS; assessments clearly delineate two separate categories for residential properties, two groups of ratepayers, each assessed differently according to specific locations—waterfront or other land, and as long as these two distinctly different groups remain in Residential Class subject to the same tax rate, the tax inequity will remain beyond our control—to provide a fair level of taxation for Hastings Highlands ratepayers;

AND WHEREAS; this untenable situation is created by large swings in reassessed values; that could be alleviated to a great degree with a percentage cap on reassessment;

BE IT THEREFORE RESOLVED; in the interest of providing fair taxation for all ratepayers, that the Municipality of Hastings Highlands petition the County of Hastings and the Ontario Minister of Finance; That the unique nature of the territory in Hastings Highlands be considered, in support for our petition to apply a separate sub-class tax rate for Waterfront Residential ratepayers within the Residential Class, to allow flexibility in stabilizing tax rates accordingly;

AND FURTHER THAT; the Minister of Finance reconsider our request to freeze scheduled assessment increases, and place a cap on future reassessments to compensate for the turmoil caused by large swings in reassessment, until the system of property valuation has been reviewed to properly reflect realistic values—based on a combination of acreage, frontage and size of buildings on the property. Copies are to be sent to Premier Dalton McGuinty, and MPP Leona Dombrowsky.